

Initial Ballot Argument
Opposition to Proposition 1A
November 2006 Election

When the next recession hits, the Legislature and the Governor must be able to prioritize both cuts and expenditures.

Proposition 1A would put still more of California's budget on "automatic pilot." That means that the Governor and the Legislature won't be able to set priorities. If education, healthcare, public safety, or childcare funds are in need of money, during any recession, the **first priority** for gasoline taxes will be potholes and highways. Highways and potholes are very important. But on this ballot Proposition 1B will provide almost \$20 billion dollars for Transportation.

Proposition 42 of 2002 already has strong protections for highway and pothole funds. Money can **only** be borrowed by a 2/3 vote of both houses and the signature of the **Governor**. It must be repaid and with interest for the full time it was borrowed. Proposition 1A tightens the restrictions, and makes borrowing almost impossible.

Everyone seems to agree in California that our number one priority is Public Education! But if Proposition 1A were to pass, that would no longer be true. We only have to look at recent history to understand the impact of Proposition 1A.

In 2003-04, the Legislature and the Governor borrowed \$868 million dollars from the sales tax revenue on gasoline. And in 2004-05, we again borrowed \$1.258 billion from the same funds. Without the ability to borrow money internally, the choices would have been to borrow from Wall Street, make massive cuts to health and education or raise taxes.

Even with about \$2 billion in borrowing from gasoline tax funds, K-12 public schools still were cut \$2 billion from what they were guaranteed. We also cut funds for textbooks, and maintenance of classrooms and school buildings. Community college students saw their fees more than double, rising from \$11 per unit to \$26 per unit, and hundreds of thousands of community college students had to quit college as a result. University of California and California State University students saw their undergraduate fees rise a whopping 30% in three years time.

We have not repaid the \$2 billion cut made to K-12 education in 2004-05. And if Proposition 1A had been in effect, the cut to K-12 public education could have been \$4 billion!

In bad years, the Legislature and the Governor need the flexibility to shift funds temporarily to ensure that education receives at least its minimum guarantee. The

**SUBJECT TO COURT
ORDERED CHANGES**

Legislature and the Governor need to be able to set priorities as they come up. If there is an earthquake, flood, or major fires, or if trauma centers and emergency rooms continue to close, we need to be able to address those emergencies. Don't tie the hands of those whose job it is to reflect your priorities in the State budget. VOTE "NO" ON PROPOSITON 1A!

JACKIE GOLDBERG, Chair
Assembly Education Committee